

1 to take my shares and pass it on to another lender.

2 Q You talked to Joyce Morgan every four weeks,  
3 is that correct?

4 A She would call me.

5 Q And what do you talk about?

6 A She just tells me what she is basically doing  
7 and what is happening with her and her career,  
8 basically, the status of the radio station. And that's  
9 the extent of it.

10 Q The status of the application?

11 A The status of the application. She calls me  
12 and says, "we're going to have a hearing on the 20th,  
13 am I available to go?" That type of thing.

14 MS. ROBINSON: I have no further questions,  
15 Your Honor.

16 JUDGE LUTON: More cross?

17 MR. BROWN: I won't take that long. I have a  
18 few questions.

19 CROSS EXAMINATION

20 BY MR. BROWN:

21 Q At the time that the second amendment to the  
22 partnership agreement was drafted, I take it that it  
23 was your intent for that to replace the first  
24 agreement?

25 A Correct.

1           Q     And at that time, Baylan Communications  
2     became an unlimited partner?

3           A     Correct.

4           Q     Why did you substitute Baylan Communications  
5     in place of yourself?

6           A     Because I have, from a tax point of view, I  
7     was now going to be involved in multiple applications,  
8     I felt that there was a chance in the future that some  
9     would lose money and some would make money and under  
10    the change in the '86 tax of the way losses are  
11    characterized, that since all the radio stations were  
12    in the same grouping, they should be under one  
13    corporate entity. I own 100 percent of Baylan  
14    Communications.

15          Q     At the time that Baylan Communications was  
16    substituted and the second limited partnership  
17    agreement signed, did you show Ms. Morgan any balance  
18    sheets or any other documents related to Baylan  
19    Communications?

20          A     Baylan Communications was a newly formed  
21    entity, so there weren't any.

22          Q     There were no documents?

23          A     It was not a previous -- it was not an entity  
24    that existed prior to the forming of -- it was formed  
25    at the same time as the partnership agreement.

1           Q     Okay. I take it that then, at the time of  
2 its formation, there was no equity in the corporation?

3           A     No equity.

4           Q     Also, you mentioned that one of the reasons  
5 for reforming the limited partnership agreement is that  
6 you were thinking of getting bank financing.

7                     Did you discuss this at any point in time  
8 with Ms. Morgan?

9           A     The ability to get bank financing?

10          Q     Well, the fact that you would not personally  
11 be providing the financing?

12          A     No, that was not my intention. My  
13 intention -- I had told her that my intention was that  
14 I was financing the station. But if I had gone out and  
15 done 20 of these stations, at some point you just don't  
16 have \$27,000,000 in the bank. So, it was my intention  
17 that banks do finance these stations and to have an  
18 agreement that was acceptable to an institution to be  
19 financed.

20                     So I was looking down the road. I could have  
21 just had the same agreements that the other applicants  
22 have here, which say really nothing and then, at that  
23 point, said we'll have a new agreement to go to a bank.  
24 But I felt that we had a very good shot at winning this  
25 application and wanted to have an application that was

1       financible in a real institution in this country, than  
2       just a group of papers that say your partners.

3               Q     Okay. If Your Honor would direct the witness  
4       to limit his answers specifically to the question  
5       that's posed?

6                     JUDGE LUTON: Try again.

7                     BY MR. BROWN:

8               Q     At one point in time, with the original  
9       limited partnership agreement, Robin Rothschild became  
10      a limited partners, is that correct?

11              A     Correct.

12              Q     And at that point in time, she was given 40  
13      percent of the equity in a limited partnership?

14              A     Correct.

15              Q     I take it that at the time of the signing of  
16      the first limited partnership agreement, everyone  
17      within the limited partnership played a specific role?  
18      For example, I take it that Joyce Morgan was to be the  
19      head of the project, if you will?

20              A     Correct.

21              Q     You would play the role of the financier?

22              A     Correct.

23              Q     And what would Ms. Rothschild's role be in  
24      that particular --

25              A     She played, from my point of view, she had no

1 interests other than the fact that George Newton was  
2 not being compensated on a daily or hourly fee type  
3 basis and that these hearings and process, I was told,  
4 could go from up to umpteen years and there was no way  
5 to nail down what the value of his time and efforts  
6 were in the process.

7 By her holding stock or an interest in the  
8 partnership, that he was guaranteed that he would be  
9 paid some dollars at some point in this transaction.

10 Q Do you have before you what's been marked as  
11 Peaches Exhibit number 21?

12 A Yes, I do.

13 Q If you could please turn to Page Nine and  
14 read the first full paragraph to yourself?

15 Is it your understanding, of this particular  
16 paragraph, that a limited partner could transfer their  
17 interest in the limited partnership to a relative,  
18 without the prior approval of the general partner?

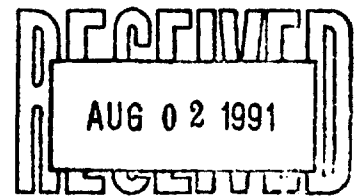
19 A Yes.

20 Q So would that mean that Ms. Rothschild could  
21 then effectuate a transfer of interest to her brother,  
22 I'm sorry, to her father, under this particular  
23 provision?

24 A Yes.

25 Q Thank you. And, I believe you were asked

**EXHIBIT 2**



Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

1  
2  
3 In re Applications of ) MM Docket No. 91-10  
4 Charley Cecil & Dianna Mae White )  
d/b/a WHITE BROADCASTING PARTNERSHIP ) File No. BPH-891214MM  
5 PEACHES BROADCASTING, LTD. ) File No. BPH-891214MN  
6 SAGE BROADCASTING CORPORATION OF )  
7 JUPITER, FLORIDA ) File No. BPH-891214MR  
8 DOUGLAS JOHNSON ) File No. BPH-891214MZ  
9 NORTHEAST FLORIDA BROADCASTING CORP. ) File No. BPH-891214NA  
10 JEM PRODUCTIONS, LIMITED PARTNERSHIP )  
C/O JOYCE MORGAN ) File No. BPH-891214ND  
11 For Construction Permit to Build )  
12 a New FM Station on Channel 289A )  
13 in Baldwin, Florida )

14 Deposition of JOYCE E. MORGAN, taken on behalf  
15 of the Peaches Broadcasting, LTD., pursuant to Notice of  
16 Taking Deposition in the above-entitled action, on Monday,  
17 June 24, 1991, at 9:10 o'clock a.m., at 12 North Liberty  
18 Street, Jacksonville, Florida, before Stephanie L. Powers,  
19 a Notary Public in and for the State of Florida at Large.  
20  
21  
22  
23  
24  
25

1           A       No, I have not.

2           Q       Okay. Now, when did you relinquish your  
3 Jacksonville residence?

4           A       Relinquish it?

5           Q       Move out.

6           A       Of my Jacksonville residence?

7           Q       (Nods head.)

8           A       I moved out of my house, I guess, like the last  
9 of February, maybe, the last day of February.

10          Q       Okay. What was your last day on the job at the  
11 television station in Jacksonville?

12          A       April 12th.

13          Q       1991?

14          A       1991.

15          Q       Okay. What was your first day of work at JXAS  
16 TV in --

17          A       April 16th or whatever that Wednesday was.

18          Q       Of this year?

19          A       Of this year.

20          Q       Okay. Now, how was it that you came to know  
21 about the existence of this opportunity to apply for a  
22 broadcast facility?

23          A       Through George Enunton and Salvedore Serrano.

24          Q       Who is George -- well, spell Mr. Enunton's name  
25 for the record.



1           A       E-N-U-N-T-O-N.

2           Q       Okay.  Who is he?

3           A       He is a consultant.

4           Q       Did you retain Mr. Enunton?

5           A       He is on a contingency agreement with me.  And

6       basically what it means is if I am awarded a license for

7       the Baldwin station, then George will receive a fair

8       market amount.

9           Q       A fair market amount?  When you say "a fair

10       market amount," you mean cash or stock or equity?

11          A       Cash.

12          Q       Okay.

13          A       He will receive payment.

14          Q       Is there some written document expressing that

15       agreement?

16          A       The only written document between the

17       consultant and myself was listed in the -- let me see --

18          Q       I have one between you and Mr. Serrano.

19          A       Yeah.

20          Q       It's identified Exhibit E-10.

21          A       Right.

22          Q       Is this what you're speaking of?

23          A       Yes.

24          Q       Okay.  Your counsel is showing it to you.

25          A       Yes.

1           Q       If you would take a look at that. Now, this  
2 doesn't mention Mr. Enunton's name, is he Mr. Serrano's  
3 partner?

4           A       They work together; they basically work as a  
5 team. Serrano does the engineering part and George does  
6 the consulting part in helping the applicant.

7           Q       Okay. Now, when you say you learned of it  
8 through them, did you know Mr. Enunton before this?

9           A       No, I did not.

10          Q       Did you know Mr. Serrano before this?

11          A       No, I did not.

12          Q       How did they come to find you?

13          A       Basically they found out about me through other  
14 people.

15          Q       Who specifically?

16          A       Specifically, I do not have a name for you, but  
17 they found out through me -- about me through other  
18 people. They found out about me because they saw me on  
19 television. And they contacted me and they asked me some  
20 questions and they asked me about what did I foresee in my  
21 future.

22          Q       Now, did they tell you who referred -- who the  
23 other people were that you're speaking of?

24          A       Yes, they did and, you know, I really don't  
25 remember.

1 Q Did -- now, who -- which of those two initially  
2 made contact with you?

3 A George.

4 Q George Enunton? And did he visit you or did he  
5 telephone you?

6 A Both, he visited -- he telephoned and then he  
7 came by that same evening.

8 Q Okay. Now, he was in Jacksonville at the time  
9 then?

10 A Yes, he was.

11 Q And do you remember when that was?

12 A It was sometime like late October.

13 Q Of which year?

14 A Oh, excuse me, of 1989.

15 Q Okay. Now, when he came by that evening, this  
16 was at your home or at the television station?

17 A At the television station.

18 Q Okay. Now, did he provide you with any  
19 materials explaining his consulting services?

20 A Yes, he did.

21 Q Okay. And what were those materials?

22 A Those materials were basically who he was and  
23 what he was doing and what he had been doing for the past  
24 25 years with the FCC.

25 MR. HONIG: Okay. Now, Counsel, those

1 materials have not been produced. Would you be  
2 willing to make those available?

3 MR. HALAGAO: Okay.

4 MR. HONIG: So we can make a note. And this  
5 commonly does happen that things are discovered that  
6 aren't produced. Add to the list materials from  
7 George Enunton.

8 BY MR. HONIG:

9 Q Now, did Mr. -- have you ever met Mr. Serrano?

10 A Yes, I have.

11 Q Okay. When did you meet him?

12 A This same evening.

13 Q Oh, he came along?

14 A Yes, he did.

15 Q Okay. Now, did they indicate that they were  
16 interviewing any other people besides yourself?

17 A Well, they said that they went around and  
18 basically looked for qualified minorities and that's what  
19 they were doing.

20 Q Did they already have a client at that time or  
21 were they --

22 A Not in Jacksonville, no.

23 Q Were they representing or -- did they already  
24 have a relationship with Mr. Knobel -- is that how you  
25 pronounce his name?

1 A Yes. Peter Knobel.

2 Q Okay. Did they already have a relationship  
3 with Ms. Rothschild?

4 A Yes.

5 Q Would it be fair to say that Ms. Rothschild and  
6 Mr. Knobel asked them to come to Jacksonville and identify  
7 a suitable general partner?

8 A Yes.

9 Q Okay. Now, did they indicate who else they had  
10 interviewed while they were in town?

11 A No, I don't remember that. I really don't --

12 Q Did they indicate how many other people they  
13 interviewed?

14 A Not that I recall.

15 Q Did they tell you what criteria or  
16 characteristics they were looking for?

17 A Yes.

18 Q What were those?

19 A They were looking for someone, first of all,  
20 who was interested in an opportunity of owning something  
21 for themselves or instead of always working for someone  
22 wanted to work for themselves. And they were looking for  
23 someone who wanted to make a difference in their  
24 community.

25 Q Now, did they indicate that they specifically

1       were looking for a minority person?

2           A       Yes.

3           Q       Did they indicate that they were specifically  
4       looking for a woman?

5           A       No.

6           Q       Did they indicate that they were specifically  
7       looking for a local area resident in Jacksonville?

8           A       Yes.

9           Q       Okay. Did they indicate that they were  
10       specifically looking for someone who had been in  
11       broadcasting?

12          A       Yes.

13          Q       Did they indicate that there were any other  
14       factors that were interesting to them?

15          A       They were looking for someone who they felt was --  
16       was bright and intelligent and looking for an opportunity  
17       basically.

18          Q       Now, before this happened, had you ever  
19       manifested to anyone any intention to own a radio station?

20          A       I don't know if I ever told anyone of my  
21       intentions of doing anything other than -- other than what  
22       I was doing at that particular time. I think that just  
23       because of the sheer way that I came into the business, I  
24       always felt the sky was the limit and that you can do  
25       basically anything you want to do. And if an opportunity

1           A       It was after.

2           Q       Okay. Now, that was signed on December --  
3 well, is that right? I'm sorry, what was the date of that  
4 document?

5           A       Should have been November.

6           Q       November 4th of '89?

7           A       Correct, that's when I signed it.

8           Q       Okay. Now, have you ever met Ms. Rothschild?

9           A       No. I have talked with her on the telephone.  
10 What happened was the trip that I took to New York was set  
11 up so that I would meet Peter in New York, we would take  
12 the train over to Albany where Robin would pick me up.  
13 There was a snow storm that day. I was delayed in, I  
14 think, North Carolina for eight hours, which threw  
15 everything off, which meant that I couldn't get to New  
16 York until later that evening and I couldn't get over to  
17 Vermont in time enough to get back to make my flight to  
18 get back to work.

19          Q       What is Peter Knobel's relationship with Robin  
20 Rothschild?

21          A       As far as I know, they know each other, they  
22 are friends.

23          Q       You have no other knowledge?

24          A       No, I don't.

25          Q       Now, did Mr. Rothschild, before you filed the

1 application, give you any documents concerning himself?

2 A You mean Robin, that's a woman.

3 Q Peter Knobel.

4 A Peter Knobel? I saw his financial statement.

5 Q You said you saw it, did he give it to you  
6 personally?

7 A No, they were delivered through George.

8 Q And when did that happen?

9 A When I -- when I saw George and I -- before I  
10 signed the agreement on November 4th.

11 Q Okay. Now, did you see his resume'?

12 A No, I did not.

13 Q Did you contact any references on him?

14 A No, I did not.

15 Q Now, did you see any documentation from Robin  
16 Rothschild?

17 A Not that I remember.

18 Q Now, in the original partnership agreement, Mr.  
19 Knobel was, other than what you put up, was putting up all  
20 the money; isn't that basically right?

21 A That's correct.

22 Q Then why was Mrs. Rothschild or -- is it Ms. or  
23 Mrs.?

24 A Mrs. -- Ms. Robin Rothschild.

25 Q Okay. Why was Ms. Rothschild in the deal?



1           A       Basically Robin was a surety-type partner in that  
2 she would take care of the consultants' fees.

3           Q       Now, is there any agreement that she has to  
4 take care of the consultants' fees?

5           A       Basically just what's in -- what's in -- what's  
6 in the normal agreement. It really -- I don't think it  
7 said like -- I don't think it specified which partner  
8 would take care of --

9           Q       Let me return your attention again to this  
10 Exhibit E-10 to the application, this agreement. This is  
11 between you and Mr. Serrano, isn't that right?

12          A       Uh-huh.

13          Q       And it pledges you to pay \$1,000?

14          A       Uh-huh.

15          Q       Did you pay that or did Ms. Rothschild pay  
16 that?

17          A       I don't think this has been paid.

18          Q       Okay. Now, do you know why it hasn't been  
19 paid?

20          A       (Witness shakes head.) Let me look at that  
21 again because from my understanding -- as I was saying,  
22 that -- from my understanding, it was -- even though we  
23 will be paying Salvedore, it will be paid once the  
24 application or the license is granted.

25          Q       Now, how did you derive that understanding, did

1           A       Now, I don't know that. All I know is the  
2       partnership agreement that I received had the difference  
3       in it.

4           Q       Okay. Now, do you know who owns Beylen  
5       Communications?

6           A       No, I don't. I thought Peter was part owner.  
7       I mean that's only my assumption.

8           Q       Did you ever ask Peter who owns it?

9           A       No, I didn't.

10          Q       Did you ask anyone who owns it?

11          A       No, I didn't.

12          Q       Has anyone ever provided you with any documents  
13       saying who owns it?

14          A       No, I assumed Peter did.

15          Q       Did you know what the name Beylen refers to?

16          A       No, I don't.

17          Q       Now, have you seen any other financial  
18       statements of Mr. Knobel other than the one that you  
19       testified that you saw before you filed the application?

20          A       Only -- only what's listed.

21          Q       What's listed?

22          A       In --

23          Q       Well, you can't look at any documents unless  
24       they're placed before you.

25          A       Oh.

1           A       I believe that it was, but -- I assume that it  
2 was, I just -- I don't remember.

3           Q       Okay. Now, was the Exhibit E-10 that we've  
4 spoken of before, your contract with Mr. Serrano, attached  
5 to your copy of the application when you signed it?

6           A       I believe it was.

7           Q       Okay. Now, when you met Mr. Knobel, did you  
8 ask him whether he had any investments in any other  
9 applications besides this one?

10          A       No, I didn't.

11          Q       Did he tell you?

12          A       No, he didn't.

13          Q       Now, did you ever ask anyone whether Mr. Knobel  
14 had any investments in any other applications?

15          A       No.

16          Q       You know whether -- now, you know now that he  
17 had some investments in other applications.

18          A       Right.

19          Q       Do you know whether he worked with Mr. Enunton  
20 and Mr. Serrano on those other applications?

21          A       Positively, no. I would assume yes, but  
22 positively --

23          Q       Okay. What's the basis for your assumption  
24 that the answer is yes?

25          A       Well, if he was working with me, perhaps he

1 (Mr. Gregory enters the room.)

2 (Off-the-record discussion.)

3 MR. HONIG: Okay. I'm ready to restart.

4 BY MR. HONIG:

5 Q Okay. Is Mr. Enunton still working for your  
6 applicant?

7 A For me.

8 Q Is he still on retainer?

9 A Yes.

10 Q Okay. Is Mr. Serrano still on retainer?

11 A Basically, yes.

12 Q What do they do for you now?

13 A Well, George still -- when there's a problem or  
14 there's something that I don't understand when I get  
15 something from the FCC, then I automatically call him to  
16 find out what each document means to me and get some kind  
17 of feeling of how I should proceed.

18 Q Now, do you know whether Mr. Serrano is an  
19 attorney?

20 A No, I do not.

21 Q Do you know whether Mr. Enunton is an attorney?

22 A No, I do not.

23 Q If you'll refer to your Exhibit E-10, which  
24 I'll place before you, third line under Item 1 includes in  
25 Mr. Serrano's responsibilities prosecuting the application.

1           A       Early 1990, but I don't have like a date or a  
2     time.

3           Q       How long was this list?

4           A       It was like a book full of names that went on  
5     and on.

6           Q       Did he identify any particular people that he  
7     specifically recommended?

8           A       He -- he gave me probably three or four that he  
9     was very familiar with.

10          Q       Okay.

11          A       And from -- from the list, I chose Avelino.

12          Q       And who would -- do you have that document?

13          A       No, I don't think I have the actual document  
14     that had all of the lawyers' names on it that I used.  
15     When he narrowed it down, I simply wrote them on -- on a  
16     pad or something that I was using. And at the top of it,  
17     I put Avelino's name.

18          Q       Was Mr. Root on the list?

19          A       Oh, no. Absolutely not.

20          Q       Did you interview any lawyers besides Mr.  
21     Halagao?

22          A       Halagao.

23          Q       Halagao?

24          A       I think I called one other one, but decided to  
25     go with Mr. Halagao.

1 year, what's the 35,000 refer to?

2 A Well, from my notes, it -- my notes, I simply  
3 say: WJXR leasing tower for \$35,000.

4 Q Do you know -- then, what's the reason for the  
5 \$300 a month?

6 A Because that would be how I would pay it.

7 Q Okay. Hold on just a second. Let me ask you a  
8 couple questions about your business relationship with Mr.  
9 Knobel and Ms. Rothschild when the application was formed.  
10 Whose suggestion was it that you have a 20 percent  
11 interest?

12 A Because of my limited knowledge, I suppose I  
13 heavily depended on George for a lot of the things that I  
14 did until I hired Mr. Austin and Mr. Avelino Halagao. And  
15 just from my conversations with George and after listening  
16 to him, I felt -- I felt comfortable with me having 20  
17 percent, Peter having 40 percent and Robin having 40  
18 percent.

19 Q Now, is there -- when the partnership was  
20 formed, was there a -- no, strike that. Before I get to  
21 that.

22 Did you ask Mr. Knobel how the -- where those  
23 numbers came from, 20, 40, 40?

24 A No, I did not ask Mr. Knobel.

25 Q Did you ask Mr. Enunton where the numbers came

1 report on the partnership's finances to Mr. Knobel --

2 A No.

3 Q -- or Ms. Rothschild?

4 A No.

5 Q Okay. Have they ever requested one from you?

6 A No.

7 Q Okay. Who published the public notice of the

8 filing of the application in the newspaper?

9 A I did.

10 Q Okay. Who wrote that notice?

11 A Mr. Enunton.

12 Q Okay. And who set up the public file?

13 A He helped me set up that.

14 Q Who is he, I'm sorry?

15 A I'm sorry, Mr. Enunton.

16 Q And did he come here to do that?

17 A No, I asked him to do it.

18 Q And where is it located?

19 A One in Baldwin and one in the main library

20 here in Jacksonville.

21 Q I'm sorry, I didn't hear your answer.

22 A City Hall in Baldwin and the Jacksonville main

23 library.

24 Q Okay. Now, there is a provision in your

25 partnership agreement related to your compensation and

1           A       For the two disc jockey jobs, I do not.

2           Q       So is it correct that you intend that the  
3 station would be staffed by yourself, a salesperson and  
4 two disc jockeys?

5           A       Two disc jockeys and I think I would have to  
6 have someone in production.

7           Q       Okay. So it would be five people; is that your  
8 testimony?

9           A       Just about five.

10          Q       Okay. Now, had you ever worked up a budget as to  
11 how much you'd pay them?

12          A       No, I had not.

13          Q       Okay.

14          A       I knew it would be minimum, but I had not  
15 really come up with figures.

16          Q       There is a budget for the station, is there  
17 not?

18          A       Yes, there is.

19          Q       Okay. And who prepared that?

20          A       George helped me prepare that.

21          Q       Now, when you say George helped you prepare it,  
22 what did you do and what did George do?

23          A       Well, George -- George does it and I just  
24 basically look it over and nod approval or disapproval.

25          Q       So basically George prepared the budget?



1 A Yes.

2 Q Okay. Would your counsel place the budget  
3 before you, please?

4 MR. HONIG Just a second while we're off the  
5 record.

6 (Off-the-record discussion.)

7 BY MR. HONIG:

8 Q Okay. Now, when was the first time you saw  
9 this document?

10 A I don't remember.

11 Q You'll notice at the top it says: Appendix B.  
12 That's Appendix B to what document?

13 A I'm not quite sure.

14 Q Okay. Have you ever seen it contained in any  
15 other document, any other larger one?

16 A I'm not sure.

17 Q You'll notice at the top it says: Facilities  
18 list in cost estimate to construct a Class A FM station.  
19 Is that any Class A FM station that this applies to?

20 A I believe it does. I believe it's in general  
21 terms.

22 Q Okay. Now, look at the third page. There  
23 you will see: Note not included in above, R, and 11  
24 items appear there. Now, let's look at these for just  
25 a second. Legal and engineering fees, did you have